

105. A computer readable medium comprising a computer program according to claim 104.

106. A computer program comprising computer implementable instructions for configuring a computer to operate in accordance with the method of claim 97.

107. A computer readable medium comprising a computer program according to claim 106.

108. A computer program comprising computer implementable instructions for configuring a computer to operate in accordance with the method of claim 73.

109. A computer readable medium comprising a computer program according to claim 108.

110. A computer program comprising computer implementable instructions for configuring a computer to operate in accordance with the method of claim 76.

111. A computer readable medium comprising a computer program according to claim 110.

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REMARKS

The fee for the claims presented above was paid with the filing of this patent application and with the filing of the First Preliminary Amendment on January 21, 2000 and the Second Preliminary Amendment on March 9, 2000. It is believed no additional fee is required.

The courtesy and efficiency of Examiner Meislahn and the clerical staff of the U.S. Patent and Trademark Office in suggesting a revised form of the claims via telephone conversations between Examiner Meislahn and the undersigned are noted with appreciation.

This application is a U.S. Continuation/National Phase Patent Application of PCT Patent Application No. PCT/US98/15070.

*The PCT patent application was searched and examined by the European Patent Office as both Searching Authority and Examining Authority, and claims 44-72 presented above were determined to meet the requirements of Novelty, Inventive Step and Industrial Applicability. A copy of the Search Report and the International Preliminary Examination Report with PCT allowed claims are furnished herewith for convenient reference by Examiner Meislahn.*

The application includes claims 44-111.

Claims 44-72, as was mentioned above, were examined by the European Examining Authority in the parent PCT Patent Application; the PCT Patent Application was originally with 43 claims, but a the amended set of claims 1-29 was substituted during prosecution of the PCT Patent Application; and claims 44-72 above correspond identically with those PCT claims 1-29. As a result of examination of the PCT patent application at the EPO, as also was mentioned above, the International Preliminary Examination Report indicates that all of such claims 1-29 (which are claims 44-72 herein) meet the requirements of Novelty, Inventive Step and Industrial Applicability.

It is noted that the application as filed herewith includes specification page 3 and amended specification pages 3/3a. Specification page 3 is a copy of the original specification page filed in the mentioned PCT Patent Application; specification pages 3/3a include two additional paragraphs which were added during the prosecution of the PCT Patent Application to mention prior art background information. If either original specification page 3 requires cancellation, the Examiner is authorized to do so and to substitute therefor amended specification pages 3/3a; alternatively, if appropriate to cancel amended specification pages 3/3a and to retain original specification page 3, then the Examiner is authorized to address this issue appropriately.

If Examiner feels a phone interview would help expedite favorable consideration of this application, he is respectfully requested to telephone the undersigned attorney.

Respectfully submitted,  
RENNER OTTO, BOISSELLE & SKLAR, LLP

DATE: June 15, 2000

  
Warren A. Sklar, Registration No. 26,373

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Enc. PCT/European Search Report  
PCT/International Preliminary Examination Report with PCT allowed claims 1-29  
H:\113\WAS\DO1\PI03WOUSA\PrelimAmd\_3.wpd

## PATENT COOPERATION TREATY

From the INTERNATIONAL SEARCHING AUTHORITY

To:  
 RENNER, OTTO, BOISSELLE & SKLAR  
 Attn. ESCHWEILER, T.  
 1621 Euclid Avenue  
 19th Floor, the Keith Building  
 CLEVELAND, OHIO 44115  
 UNITED STATES OF AMERICA

## PCT

NOTIFICATION OF TRANSMITTAL OF  
THE INTERNATIONAL SEARCH REPORT  
OR THE DECLARATION

(PCT Rule 44.1)

		Date of mailing (day/month/year)	24/11/1998
Applicant's or agent's file reference <b>DOLJP103WOA</b>	<b>FOR FURTHER ACTION</b> See paragraphs 1 and 4 below		
International application No. <b>PCT/US 98/15070</b>	International filing date (day/month/year) <b>20/07/1998</b>		
Applicant <b>ASSURE SYSTEMS, INC. et al.</b>			

1.  The applicant is hereby notified that the International Search Report has been established and is transmitted herewith.

**Filing of amendments and statement under Article 19**

The applicant is entitled, if he so wishes, to amend the claims of the International Application (see Rule 46):

When? The time limit for filing such amendments is normally 2 months from the date of transmittal of the International Search Report; however, for more details, see the notes on the accompanying sheet.

Where? Directly to the International Bureau of WIPO  
34, chemin des Colombettes  
1211 Geneva 20, Switzerland  
Facsimile No.: (41-22) 740.14.35

For more detailed instructions, see the notes on the accompanying sheet.

2.  The applicant is hereby notified that no International Search Report will be established and that the declaration under Article 17(2)(a) to that effect is transmitted herewith.

3.  With regard to the protest against payment of (an) additional fee(s) under Rule 40.2, the applicant is notified that:

the protest together with the decision thereon has been transmitted to the International Bureau together with the applicant's request to forward the texts of both the protest and the decision thereon to the designated Offices.

no decision has been made yet on the protest; the applicant will be notified as soon as a decision is made.

4. Further action(s): The applicant is reminded of the following:

Shortly after 18 months from the priority date, the International application will be published by the International Bureau. If the applicant wishes to avoid or postpone publication, a notice of withdrawal of the International application, or of the priority claim, must reach the International Bureau as provided in Rules 90bis.1 and 90bis.3, respectively, before the completion of the technical preparations for International publication.

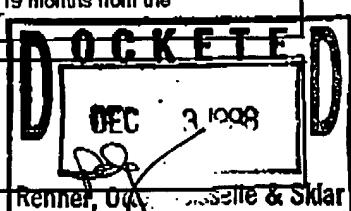
Within 19 months from the priority date, a demand for International preliminary examination must be filed if the applicant wishes to postpone the entry into the national phase until 30 months from the priority date (in some Offices even later).

Within 20 months from the priority date, the applicant must perform the prescribed acts for entry into the national phase before all designated Offices which have not been elected in the demand or in a later election within 19 months from the priority date or could not be elected because they are not bound by Chapter II.

Name and mailing address of the International Searching Authority  
 European Patent Office, P.B. 5818 Patentlaan 2  
 NL-2280 HV Rijswijk  
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 Fax: (+31-70) 340-3016

Authorized officer

Trudy Thoen-de Jong



## PATENT COOPERATION TREATY

## PCT

## INTERNATIONAL SEARCH REPORT

(PCT Article 18 and Rules 43 and 44)

Applicant's or agent's file reference <b>DOLJP103WOA</b>	<b>FOR FURTHER ACTION</b> see Notification of Transmittal of International Search Report (Form PCT/ISA/220) as well as, where applicable, item 5 below.	
International application No. <b>PCT/US 98/ 15070</b>	International filing date (day/month/year) <b>20/07/1998</b>	(Earliest) Priority Date (day/month/year) <b>21/07/1997</b>
Applicant <b>ASSURE SYSTEMS, INC. et al.</b>		

This International Search Report has been prepared by this International Searching Authority and is transmitted to the applicant according to Article 18. A copy is being transmitted to the International Bureau.

This International Search Report consists of a total of 3 sheets.

It is also accompanied by a copy of each prior art document cited in this report.

1.  Certain claims were found unsearchable (see Box I).
2.  Unity of Invention is lacking (see Box II).
3.  The international application contains disclosure of a nucleotide and/or amino acid sequence listing and the international search was carried out on the basis of the sequence listing
  - filed with the international application.
  - furnished by the applicant separately from the international application,
    - but not accompanied by a statement to the effect that it did not include matter going beyond the disclosure in the international application as filed.
  - Transcribed by this Authority
4. With regard to the title,  the text is approved as submitted by the applicant
  the text has been established by this Authority to read as follows:
5. With regard to the abstract,
  - the text is approved as submitted by the applicant
  - the text has been established, according to Rule 38.2(b), by this Authority as it appears in Box III. The applicant may, within one month from the date of mailing of this International Search Report, submit comments to this Authority.
6. The figure of the drawings to be published with the abstract is:
 

Figure No. 1  as suggested by the applicant.  None of the figures.

because the applicant failed to suggest a figure.

because this figure better characterizes the invention.

## INTERNATIONAL SEARCH REPORT

International Application No

PCT/US 98/15070

**A. CLASSIFICATION OF SUBJECT MATTER**  
 IPC 6 G06K17/00 G07D7/00

According to International Patent Classification (IPC) or to both national classification and IPC

**B. FIELDS SEARCHED**

Minimum documentation searched (classification system followed by classification symbols)

IPC 6 G06K G07D G07B

Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched

Electronic data base consulted during the international search (name of data base and, where practical, search terms used)

**C. DOCUMENTS CONSIDERED TO BE RELEVANT**

Category *	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
X	US 5 367 148 A (STORCH LEONARD ET AL) 22 November 1994	1,3-6, 9-11,15, 24,25, 37-39 16-22, 27-31, 33-35,40
A	see claims 2,3,5,11	
X	WO 93 22745 A (CIAS INC) 11 November 1993 see claims 1,3,5,15,20,31	1,3-7,10
X	US 4 463 250 A (MCNEIGHT DAVID L ET AL) 31 July 1984	16,36
A	see claim 1 see column 2, line 38 - line 39	2
		-/-

Further documents are listed in the continuation of box C.

Patent family members are listed in annex.

## \* Special categories of cited documents :

- "A" document defining the general state of the art which is not considered to be of particular relevance
- "E" earlier document but published on or after the international filing date
- "I" document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reason (as specified)
- "O" document referring to an oral disclosure, use, exhibition or other means
- "P" document published prior to the international filing date but later than the priority date claimed

"T" later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention

"X" document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone

"Y" document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art.

"&" document member of the same patent family

Date of the actual completion of the international search

Date of mailing of the international search report

12 November 1998

24/11/1998

Name and mailing address of the ISA

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Authorized officer

Herskovic, M

1

## INTERNATIONAL SEARCH REPORT

National Application No

PCT/US 98/15070

## C.(Continuation) DOCUMENTS CONSIDERED TO BE RELEVANT

Category	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
X	US 3 833 795 A (SHOSHANI A ET AL) 3 September 1974	36
A	see column 1, line 57 - line 65	3
X	ANONYMOUS: "Point of Sale Transaction Logging Scheme. April 1980." IBM TECHNICAL DISCLOSURE BULLETIN, vol. 22, no. 11, April 1980, pages 5046-5049, XP002084211 New York, US see page 2	41
A	WO 84 03019 A (LIGHT SIGNATURES INC) 2 August 1984 see claims 1,6	17

1

## INTERNATIONAL SEARCH REPORT

Information on patent family members

National Application No

PCT/US 98/15070

Patent document cited in search report	Publication date	Patent family member(s)		Publication date
US 5367148	A 22-11-1994	CA 1320581 A		20-07-1993
		US 4814589 A		21-03-1989
		AU 614470 B		29-08-1991
		AU 7357487 A		09-11-1987
		EP 0265497 A		04-05-1988
		JP 1500243 T		02-02-1989
		WO 8706372 A		22-10-1987
		US 5088093 A		11-02-1992
		US 5283422 A		01-02-1994
		US 5548110 A		20-08-1996
		US 5675137 A		07-10-1997
		AU 6723490 A		16-05-1991
		DE 69031869 D		05-02-1998
		EP 0506680 A		07-10-1992
		WO 9106068 A		02-05-1991
		AT 161984 T		15-01-1998
		DE 3752157 D		12-02-1998
		DE 3752157 T		17-09-1998
		EP 0769770 A		23-04-1997
WO 9322745	A 11-11-1993	AU 1895992 A		29-11-1993
		EP 0647342 A		12-04-1995
US 4463250	A 31-07-1984	GB 2101376 A, B		12-01-1983
US 3833795	A 03-09-1974	DE 2237911 A		01-03-1973
		FR 2149863 A		30-03-1973
		JP 48026346 A		06-04-1973
		NL 7210717 A		07-02-1973
WO 8403019	A 02-08-1984	US 4558318 A		10-12-1985
		CA 1213371 A		28-10-1986
		DE 3382689 A		08-07-1993
		EP 0131574 A		23-01-1985
		JP 7020781 A		24-01-1995
		JP 60500466 T		04-04-1985
		US 4816824 A		28-03-1989
		US 4651150 A		17-03-1987
		US 4739322 A		19-04-1988

## PATENT COOPERATION TREATY

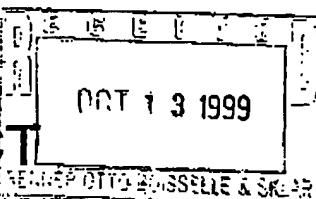
From the  
INTERNATIONAL PRELIMINARY EXAMINING AUTHORITY

To:

ESCHWEILER, T.  
RENNER, OTTO, BOISSELLE & SKLAR  
1621 Euclid Avenue  
19th Floor, the Keith Building  
CLEVELAND, OHIO 44115  
ETATS-UNIS D'AMÉRIQUE

Was

PCT

NOTIFICATION OF TRANSMITTAL OF  
THE INTERNATIONAL PRELIMINARY  
EXAMINATION REPORT

(PCT Rule 71.1)

Date of mailing  
(day/month/year)

08.10.99

Applicant's or agent's file reference  
DOLJP103WOA

## IMPORTANT NOTIFICATION

International application No.  
PCT/US98/15070

International filing date (day/month/year)  
20/07/1998

Priority date (day/month/year)  
21/07/1997

Applicant  
ASSURE SYSTEMS, INC. et al.

1. The applicant is hereby notified that this International Preliminary Examining Authority transmits herewith the international preliminary examination report and its annexes, if any, established on the international application.
2. A copy of the report and its annexes, if any, is being transmitted to the International Bureau for communication to all the elected Offices.
3. Where required by any of the elected Offices, the International Bureau will prepare an English translation of the report (but not of any annexes) and will transmit such translation to those Offices.
4. REMINDER

The applicant must enter the national phase before each elected Office by performing certain acts (filing translations and paying national fees) within 30 months from the priority date (or later in some Offices) (Article 39(1)) (see also the reminder sent by the International Bureau with Form PCT/IB/301).

Where a translation of the international application must be furnished to an elected Office, that translation must contain a translation of any annexes to the international preliminary examination report. It is the applicant's responsibility to prepare and furnish such translation directly to each elected Office concerned.

For further details on the applicable time limits and requirements of the elected Offices, see Volume II of the PCT Applicant's Guide.

Name and mailing address of the IPEA/

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Authorized officer

Gazzoli, M

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M. Gazzoli  
1-21-11

Form PCT/IPEA/416 (July 1992)

**PATENT COOPERATION TREATY**  
**PCT**

**INTERNATIONAL PRELIMINARY EXAMINATION REPORT**  
**(PCT Article 36 and Rule 70)**

Applicant's or agent's file reference <b>DOLJP103WOA</b>	FOR FURTHER ACTION	See Notification of Transmittal of International Preliminary Examination Report (Form PCT/IPEA/416)
International application No. <b>PCT/US98/15070</b>	International filing date (day/month/year) <b>20/07/1998</b>	Priority date (day/month/year) <b>21/07/1997</b>
International Patent Classification (IPC) or national classification and IPC <b>G06K17/00</b>		
Applicant <b>ASSURE SYSTEMS, INC. et al.</b>		
<p>1. This international preliminary examination report has been prepared by this International Preliminary Examining Authority and is transmitted to the applicant according to Article 36.</p> <p>2. This REPORT consists of a total of 6 sheets, including this cover sheet.</p> <p><input checked="" type="checkbox"/> This report is also accompanied by ANNEXES, i.e. sheets of the description, claims and/or drawings which have been amended and are the basis for this report and/or sheets containing rectifications made before this Authority (see Rule 70.16 and Section 607 of the Administrative Instructions under the PCT).</p> <p>These annexes consist of a total of 8 sheets.</p>		
<p>3. This report contains indications relating to the following items:</p> <ul style="list-style-type: none"> <li>I <input checked="" type="checkbox"/> Basis of the report</li> <li>II <input type="checkbox"/> Priority</li> <li>III <input type="checkbox"/> Non-establishment of opinion with regard to novelty, inventive step and industrial applicability</li> <li>IV <input type="checkbox"/> Lack of unity of invention</li> <li>V <input checked="" type="checkbox"/> Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement</li> <li>VI <input type="checkbox"/> Certain documents cited</li> <li>VII <input checked="" type="checkbox"/> Certain defects in the International application</li> <li>VIII <input checked="" type="checkbox"/> Certain observations on the International application</li> </ul>		

Date of submission of the demand <b>17/02/1999</b>	Date of completion of this report <b>08.10.99</b>
Name and mailing address of the International preliminary examining authority:   <b>European Patent Office</b> <b>D-80298 Munich</b> <b>Tel. +49 89 2399 - 0</b> <b>Tx: 523656 epmu d</b> <b>Fax: +49 89 2399 - 4465</b>	Authorized officer  <b>Grob, M</b> <b>Telephone No. +49 89 2399 2620</b>

**INTERNATIONAL PRELIMINARY  
EXAMINATION REPORT**

International application No. PCT/US98/15070

**I. Basis of the report**

1. This report has been drawn on the basis of (substitute sheets which have been furnished to the receiving Office in response to an invitation under Article 14 are referred to in this report as "originally filed" and are not annexed to the report since they do not contain amendments.):

**Description, pages:**

1,2,4-30 as originally filed

3,3a as received on 01/06/1999 with letter of 27/05/1999

**Claims, No.:**

1-29 as received on 01/06/1999 with letter of 27/05/1999

**Drawings, sheets:**

1/7-7/7 as originally filed

**2. The amendments have resulted in the cancellation of:**

the description, pages:  
 the claims, Nos.:  
 the drawings, sheets:

3.  This report has been established as if (some of) the amendments had not been made, since they have been considered to go beyond the disclosure as filed (Rule 70.2(c)):

**4. Additional observations, if necessary:**

**INTERNATIONAL PRELIMINARY  
EXAMINATION REPORT**

International application No. PCT/US98/15070

**V. Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement****1. Statement**

Novelty (N) Yes: Claims 1-29  
No: Claims

Inventive step (IS) Yes: Claims 1-29  
No: Claims

Industrial applicability (IA) Yes: Claims 1-29  
No: Claims

**2. Citations and explanations**

see separate sheet

**VII. Certain defects in the international application**

The following defects in the form or contents of the international application have been noted:

see separate sheet

**VIII. Certain observations on the international application**

The following observations on the clarity of the claims, description, and drawings or on the question whether the claims are fully supported by the description, are made:

see separate sheet

**INTERNATIONAL PRELIMINARY  
EXAMINATION REPORT - SEPARATE SHEET**

International application No. PCT/US98/15070

**Re Item V****Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement****1. Reference is made to the following documents:**

D1 = US-A-5 367 148

D4 = US-A-3 833 795

2. D1 discloses a method (and a corresponding system) for verifying the authenticity of goods at retail outlets, warehouses or distribution channels etc (cf col 10, lines 27-35). Each product is provided with a unique ID number which includes a non-random serial number portion and one or more random number portions (cf col 10, lines 36-56). For example, in Figs 1,2 the number "123456" is the serial number and the digits "23" and/or "17" are the random numbers. The serial number and the random number(s) are stored in a database (cf col 11, lines 3-20). In one embodiment, the returned registration card in Fig 1 is read and the random digits are checked to see if they match those in the database of the product registration computer system. If there is no match, a counterfeit product is detected (cf col 11, lines 21-31). In another embodiment, the returned registration card is not required. The ID number on the product (cf Fig 2) is read and sent to the manufacturer's registration computer system via a modem in order to check the random number and detect a counterfeit product (cf col 11, lines 46-61). It is clear from figs 1-4 and the paragraph bridging columns 11-12, that the ID number can have a bar code form and is read by a bar code reader. In view of the text at column 15, lines 41-47, the ID number can include five fields of two randomly selected digits. Hence, there are  $10^{10}$  different combinations of randomly selected digits. The text at col 16, line 5 et seq. speaks of random number and secret codes. In the third example at col 16, line 53 et seq., the secret code "???" is calculated by the algorithm illustrated at col 16, line 64. The algorithm uses both the non-random portion (123456) of the ID and the random portion (23) (i.e. a combined code) to calculate the secret number 97 (cf col 17, lines 1-5 and col 19, lines 14-17). Although this algorithm is not an encryption algorithm because the secret number 97 cannot be decrypted back to the original ID number "123456 23", this algorithm is nevertheless equivalent to the "one-way hash" function

**INTERNATIONAL PRELIMINARY  
EXAMINATION REPORT - SEPARATE SHEET**

International application No. PCT/US98/15070

disclosed on page 22, lines 4-14 and page 25, line 14 et seq. of the application. Finally, D1 also discloses (cf col 20, line 47- col 21, line 29) that the anti-counterfeit system also checks for repeated ID numbers by flagging them in the system computer.

3. D4 also discloses a method (and a corresponding system) for verifying the authenticity of goods (cf Figs 1-3 and the corresponding text in the description). Each object is provided with a non-random serial ID number 12 and a random control number 13. A master list of the numbers 12 and 13 is kept and the authenticity of an object is checked by comparing the random number on the object with the random number corresponding to the serial ID number in the master list (cf col 2, lines 43-58).
4. Neither D1 nor D4 discloses or suggests a method or a system in which combination codes (i.e. a code having a random and a non-random portion) are encrypted in order to: verify the authenticity of goods (cf claim 1); detect a diversion of goods from a desired channel of distribution (cf claim 25); determine whether a tax has been paid properly (cf claim 27). Hence, the independent claims 1,25,27 (and the dependent claims) meet the requirements of Articles 33(2) - 33(4) PCT.

**Re Item VII****Certain defects in the international application**

1. The description (cf pages 3-8) has not been brought into conformity with the new claims as required by Rule 5.1(a)(iii) PCT. In connection with this point, the pages 3-8 of the description still refer to "aspects" of the invention which bear no correspondence with the independent claims 1,25,27. For example, the last paragraph on page 3 refers to an "aspect" which is related to the originally filed claim 1 which has been subsequently deleted. In addition, the many "aspects" on pages 3-8 give the impression that the invention should relate to an equivalent number of independent claims. Also by using multiple sentences in the sections dealing with the "aspects" on pages 3-8, the reader is given the impression that protection is sought for sub-combinations of the features of the independent claims. For example, the first paragraph on page 5 appears to be partly related to

**INTERNATIONAL PRELIMINARY  
EXAMINATION REPORT - SEPARATE SHEET**

International application No. PCT/US98/15070

the matter defined in the current claim 1. However, the use of a plurality of sentences to describe some of the features of claim 1 gives the impression that some of the features of claim 1 are not essential (i.e. a sub-combination of features might be possible). Moreover, the main body of the description (cf pages 9-30) has not been revised to ensure that various "embodiments", "alternatives" or "examples" etc. still fall within the scope of the claims. In particular, the "embodiment" illustrated in Fig 2 no longer falls within the scope of the independent claims because Fig 2 does not **encrypt** the code! These inconsistencies between the description and the claims render unclear the scope and meaning of the terms of the claims.

- 1.1 The features of the claims are not provided with reference signs placed in parentheses (Rule 6.2(b) PCT).

**Re Item VIII****Certain observations on the international application**

1. In claim 25, since **each** desired channel of distribution has a unique encryption key, it seems that the words "or channels" (cf first and last paragraphs of claim 25) are misleading and should be deleted.
  - 1.1 For reasons similar to those in paragraph 1 above, the words "or channels" in claims 10,11,13 should be deleted.
  - 1.2 Claim 27 does not meet the requirement of Article 6 PCT because the claim fails to define what "combination codes" are (cf first line on page 36). It would be appropriate to include "wherein each combination code has a random portion and a non-random portion" after "combination codes" at line 1 on page 36.

What is claimed is:

1. A method of verifying the authenticity of goods, comprising the steps of:

generating one or more combination codes, wherein each combination code has a random portion and a non-random portion;

encrypting the one or more combination codes;

associating the encrypted combination codes with one or more goods, wherein each of the goods has a unique encrypted combination code; and

examining goods to verify whether they are authentic, wherein examining the goods comprises:

reading the code associated with one of the one or more goods;

decrypting the code; and

evaluating the decrypted code to verify whether the good is authentic.

2. The method of claim 1, wherein the step of generating one or more combination codes comprises the steps of:

generating one or more random codes; and

combining the one or more random codes with a non-random code.

3. The method of claim 2, wherein combining the one or more random codes with a non-random code is selected from the group consisting of concatenating the non-random code to an end of the random code, concatenating the non-random code to a beginning of the random code and interposing the non-random code within the random code.

4. The method of claim 1, wherein the step of examining goods further comprises the steps of:

decrypting the code associated with each of the goods; and

COPY OF PCT CLAIMS

determining whether the goods are authentic based on the decrypted code.

5. The method of claim 1, wherein the step of reading the code comprises scanning the code.

6. The method of claim 1, wherein the step of evaluating the decrypted code comprises determining whether the decrypted code contains the non-random portion of the combination codes.

7. The method of claim 6, wherein the step of determining whether the decrypted code contains the non-random portion comprises visually inspecting the decrypted code.

8. The method of claim 1, wherein the step of evaluating the decrypted code comprises comparing the decrypted code to the non-random portion of the combination codes.

9. The method of claim 8, further comprising the step of determining whether the combination code has been previously used if the random portion matches a portion of the decrypted code.

10. The method of claim 1, wherein the method further includes detecting a diversion of goods from a desired channel or channels of distribution, wherein each desired channel of distribution has a unique encryption key to perform the encryption of the combination codes, and wherein examining of the goods comprises verifying whether an encryption key used for encrypting the combination codes on the inspected goods within the desired channel or channels of distribution matches the encryption key

COPY OF PCT CLAIMS

which is uniquely dedicated for the desired channel or channels of distribution, thereby identifying whether a diversion of goods has occurred.

11. The method of claim 10, wherein the step of verifying further comprises:

inspecting the goods within the desired channel or channels of distribution;

decrypting the codes on the goods with a decryption key; and examining the decrypted codes, thereby determining whether a diversion of goods has occurred.

12. The method of claim 11, wherein examining the decrypted codes comprises comparing the decrypted codes to the non-random portion of the combination codes, wherein a match indicates no diversion of goods.

13. The method of claim 10, further comprising the step generating a pair of encryption keys, wherein one key is used to encrypt combination codes and the other is used to decrypt the codes within the desired channel or channels of distribution.

14. The method of claim 13, further comprising the step of providing a manufacturer with the encryption key to encrypt combination codes.

15. The method of claim 10, further comprising the step of placing the goods into commerce after the encrypted combination codes have been associated with the goods.

16. The method of claim 11, wherein the step of inspecting the goods comprises reading the codes on the goods with a scanner.

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17. The method of claim 11, wherein the step of examining the decrypted codes comprises visually examining the codes for the expected non-random portion of the combination codes.

18. The method of claim 1, wherein the non-random portion includes at least a secret portion that is encrypted.

19. The method of claim 18, wherein the secret portion is encrypted with a public key and can be decrypted with a corresponding private key.

20. The method of claim 1, wherein the non-random portion of the combination code includes a secret encrypted portion containing tracking information.

21. The method of claim 20, wherein examining the goods comprises:

decrypting the combination code; and

decrypting the secret portion of the decrypted combination code to determine the tracking information.

22. The method of claim 1, wherein associating the encrypted combination codes with one or more goods comprises applying the encrypted combination codes to the one or more goods.

23. The method of claim 1, wherein examining the goods comprises:

determining whether the code when decrypted matches a prescribed code; and

indicating whether the matched prescribed code is a duplicate based on the determination.

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24. The method of claim 1, wherein examining the goods comprises: determining whether the code when decrypted matches a prescribed code; and

indicating that a counterfeit has been detected if the prescribed code is a duplicate.

25. A system for detecting a diversion of goods from a desired channel or channels of distribution, comprising:

means for generating a combination code, wherein a portion of the combination code is a random code and the other portion is a non-random code;

means for encrypting the combination code, wherein each desired channel of distribution has a unique encryption key to perform the encryption of the combination code;

means for applying the encrypted combination code to the goods; and

means for verifying whether an encryption key used for encrypting the combination codes on the inspected goods within the desired channel or channels of distribution matches the encryption key which is uniquely dedicated for the desired channel or channels of distribution, thereby identifying whether a diversion of goods has occurred.

26. The system of claim 25, wherein the verifying means further comprises:

means for decrypting the encrypted combination code applied to the goods; and

means for comparing the non-random code of the decrypted combination code with a known non-random code.

27. A method of determining whether a tax has been paid properly, comprising:

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creating a plurality of valid encrypted combination codes;  
supplying those encrypted combination codes to an entity for  
application to the goods;  
decrypting the combination code using a public key; and  
determining whether the tax has been paid properly using the  
decrypted combination code by evaluating whether the decrypted  
combination code is one of the plurality of valid combination codes.

28. The method of claim 27, further comprising destroying the  
codes after use.

29. The method of claim 27, further comprising destroying or  
confiscating the goods if the tax has not been paid properly.

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